

City of Springfield
Special Regular Meeting

MINUTES OF THE SPECIAL REGULAR MEETING
OF THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JANUARY 20, 2004. **(AMENDED)**

Minutes of the Special Regular Meeting of the Springfield City Council held on Monday, January 20, 2004, at 7 p.m.

ATTENDANCE

Present were Mayor Sid Leiken, Anne Ballew, Tammy Fitch, Tim Malloy, Dave Ralston, Christine Lundberg, John Woodrow.

ABSENT: None.

STAFF: City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, Planning Director Greg Mott, Fire Chief Dennis Murphy, Nick Arnis, Gary McKenny, Assistant City Attorney Meg Kieran.

CALL TO ORDER

Mayor Sid Leiken called the meeting of the Springfield City Council to order.

ROLL CALL

Assistant City Manager Cynthia Pappas called the roll.

PLEDGE OF ALLEGIANCE

SPRINGFIELD UPBEAT

There was no report.

CONSENT CALENDAR

Ms. Fitch removed item 3a (Resolution No. 1, creating a designated redevelopment area in downtown) from the Consent Calendar and declared a potential conflict of interest due to her ownership of a commercial building in the downtown area. Mr. Malloy removed items 5a and 5b (both involving contracts with PeaceHealth) and declared a potential bias due to his employment. Ms. Lundberg also declared a conflict of interest regarding item 3b because of her interest in a lease on property in the area.

Ms. Fitch, seconded by Ms. Ballew, moved to approve the Consent Calendar without items 3a, 5a, and 5b. The motion passed unanimously, 6:0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Ms. Ballew, seconded by Mr. Woodrow, moved to approve Resolution No. 1, a resolution creating a designated redevelopment area in downtown, as described in the Community Development Block Grant Program under 24 CFR §570.208(b). The vote on the motion was 4:2:0; Ms. Lundberg and Ms. Fitch abstained from the vote.

Ms. Fitch, seconded by Ms. Ballew, moved to approve items 5a and 5b on the Consent Calendar. The motion passed, 5:1:0; Mr. Malloy abstained from the vote.

PUBLIC HEARINGS

1. Request for Master Plan and Zone Change Approval—PeaceHealth

Mayor Leiken opened the public hearing and called for conflicts of interest or *ex parte* contacts.

Assistant City Attorney Meg Kieran said the council's decision must be based on evidence in the record. Any other basis for the decision could invalidate the decision. She said councilors must declare any conflicts of interest, which she defined as financial benefit to a councilor or family member as a result of the decision, and any *ex parte* contacts, which were contacts outside the record related to the proceeding.

Ms. Lundberg indicated she had several casual conversations with acquaintances about the master plan application, but nothing specific or that would affect her decision making.

Mr. Woodrow had no conflicts to declare.

Ms. Fitch indicated she also had casual contacts about the application but nothing outside the record. Those contacts did not bias her decision.

Mayor Leiken declared two *ex parte* contacts, one with PeaceHealth Chief Executive Officer Alan Yordy over an unrelated matter and with PeaceHealth board member Gretchen Hult Pierce about a personal issue.

Ms. Ballew indicated she too had no contacts outside casual conversations.

Mr. Ralston had no *ex parte* contacts or conflicts of interest to declare.

Mr. Malloy declared a conflict of interest due to his employment and left the dais.

Ms. Kieran reviewed the criteria of approval for the master application from Article 37 of the Springfield Development Code, and the criteria of approval for the zone change application (Article 12).

Mayor Leiken called on Mr. Stephens for the staff report.

Mr. Stephens reported that a staff review team had spent six months reviewing the master plan application before forwarding a recommendation of approval to the Planning Commission, which held numerous work sessions and two public hearings on the application before forwarding a unanimous recommendation of approval to the City Council, with two additional conditions of approval.

Mr. Stephens entered the record of the proceedings into the public record, which was available for review at the Development Services Department, and indicated he and other staff were present to answer questions.

Mayor Leiken called on the applicant's representatives for testimony.

Alan Yordy, Chief Executive Officer of PeaceHealth, noted the many hours spent on the master plan application by representatives of PeaceHealth and Springfield staff, and thanked the council for the council and staff for their work. He said that only a few issues remained to be worked out. Mr. Yordy noted the beauty of the development site and said that PeaceHealth looked forward to becoming a part of the Springfield community.

Mr. Yordy addressed a question asked by Ms. Ballew at the work session regarding whether PeaceHealth intended to sell the residential portion of the property, indicating that PeaceHealth did not intend to sell much of the site but would partner with private developers to develop the residential portion of the property in an appropriate manner.

Mr. Yordy shared his vision of the hospital as a place of healing, living, and employment, and said 27 acres of open space on the site would be provided for the benefit of the patients and residents.

Mr. Yordy said the size of project was unprecedented in this area and it was appropriate that the community debated what it meant to its future. He reaffirmed PeaceHealth's commitment to the RiverBend project. He said, however, that PeaceHealth needed to be a wise steward of its resources, and had to consider the investments it was making over the long-term. He said PeaceHealth had committed a record number of dollars to public infrastructure investments and had also committed to paying Springfield \$2.9 million annually in property taxes over the first ten years of hospital operations. He said that PeaceHealth could not make those investments without assurances it had enough commercial property to develop in that ten-year period. PeaceHealth also needed assurances that its investments in infrastructure would provide it with an adequate number of trips to build out the first phase of the master plan through 2017. Mr. Yordy pointed out that the hospital would both create jobs and draw investments from outside the community.

Mr. Yordy addressed the issue of timing, urging the council to act on the request on February 23, 2004, rather than waiting until March. He said that would allow the record to remain open somewhat longer to accommodate staff and the public while continuing to move the project along. He said that the land use process had taken over two years to this point, and it was important to conclude it at some point. He termed the application the "opportunity of a century"

and said the project would serve the community and the region's health care needs for many generations. Mr. Yordy requested the council's approval of the master plan application, which he termed a model for the nation.

Philip Farrington, 677 East 12th Avenue, Suite N-225, Eugene, Director of Land Use Planning for PeaceHealth, submitted written testimony as well as proposed changes to conditions 29 and 35. He also commended the work of Springfield staff and said the end product of the staff review was a vastly improved master plan.

Mr. Farrington showed the council an animated flyby of the master plan.

Mr. Farrington said that the master plan as presented created an opportunity for residents to live, work, and shop in the area, with access to unexcelled medical services. He said the project would enhance the riverfront and conserve natural assets on site. The project would integrate transportation systems onsite and provide for amenities needed to serve the development off-site.

Mr. Farrington said that PeaceHealth was seeking flexibility within the uses proposed for the site, which led him to discussion of the four outstanding issues that remained to be addressed. The first involved the vesting of PeaceHealth's trips. He said that PeaceHealth was funding the costs of infrastructure needed to serve the development, and needed a mechanism to ensure that trips in the trip cap would be available to the development in the future. Mr. Farrington requested assurances from the City that, prior to its investments in public improvements, PeaceHealth would be equitably able to use the capacity provided to serve the development at RiverBend. He suggested that an agreement be developed between PeaceHealth and Springfield regarding such a mechanism.

Regarding the Planning Commission's recommendation that the parking structure be constructed prior to occupancy of the hospital, Mr. Farrington requested the flexibility for PeaceHealth to build the facility when it was economically feasible. He said that parking structures were much more expensive than surface parking and generally were publicly subsidized rather than privately constructed. Mr. Farrington asked that the construction of the parking structure be attached to need. He said that until the North Medical Office Building was constructed, surface parking would suffice to serve the hospital. He requested that the City encourage but not require the parking structure.

Regarding the Planning Commission recommendation for the zoning assignments on the property, Mr. Farrington said that PeaceHealth had demonstrated the need during the plan amendments process for 33 acres of commercial zoning and had been consistent in using the 66 acres of Medical Services (MS) zoning and 33 acres of Mixed-Use Commercial (MUC) zoning as the basis for its traffic projections. He asked that the zoning be assigned to the site in a manner consistent with the Gateway Refinement Plan and Eugene-Springfield Metropolitan Area General Plan (Metro Plan) amendments and traffic analysis.

Continuing, Mr. Farrington clarified that the traffic modeling was based on medical office buildings, but that was done to be conservative in the projections of parking generation. He said that ultimately, the building would be occupied by medical services, but PeaceHealth did not want to foreclose on the additional opportunities that were created by the MUC zoning. Those opportunities could create an income flow, allowing PeaceHealth meet its property tax obligations to Springfield, and create a thriving commercial area in north Springfield. The zoning

also gave PeaceHealth the opportunity to “feather in” various uses that could be located in a vertical, mixed-use format.

Mr. Farrington noted that the City had not yet applied the nodal designation anywhere. The commission’s recommendation was predicated on the application of the nodal development overlay. He suggested that given the overlay had not been used, the condition was premature. PeaceHealth was seeking the flexibility provided by the MUC zoning, and believed there was a big difference in value between the two zones.

Mr. Farrington said that Condition 12 recommended the council initiate the application of the nodal development designation to the entire site. He pointed out that PeaceHealth intended to create an area which achieved the goals of the overlay. He asked the council to delete the condition and to take it up later during the nodal implementation process.

Mr. Farrington closed by acknowledging the work done by Springfield staff in ensuring the policies of the Gateway Refinement Plan were satisfied. He said that PeaceHealth had also tried to comply with relevant planning documents.

Mr. Farrington provided copies of the animation CD to councilors.

Dr. Tom Row discussed the regional nature of the facility that PeaceHealth proposed to construct. He observed that people were surprised when he told them that 40 percent of PeaceHealth’s patients come from outside Lane County. The hospital had evolved over time from a community to a regional facility. Dr. Row said that PeaceHealth had run out of room to expand in its current location in Eugene. A new facility was needed to address the hospital’s space needs and emerging medical technologies.

Dr. Row said the Sisters of Saint Joseph of Peace were generous to PeaceHealth but finances were limited. An overrun at one hospital in the PeaceHealth system affected the ability of another hospital in the system to deliver services.

Jill Hogarth Green, Hospital Administrator at Sacred Heart Medical Center, said PeaceHealth planned to provide state of the art service at the new facility. She reported that since the plan amendments process, more than 500 staff members, including doctors and nurses, were involved in the design of the new hospital. Ms. Green said the hospital would be a model for the nation and would serve the most vulnerable members of the community, such as premature babies. She noted PeaceHealth’s plans for large operating rooms to accommodate state-of-the-art technology now and in the future. She anticipated that PeaceHealth would deliver excellent care at the new facility.

Ms. Green emphasized that delays in the construction process cost PeaceHealth money. She preferred that those dollars go to patient care. She asked for the council’s help in getting the project going and emphasized PeaceHealth’s work with staff in reaching an outcome all could be comfortable with. She said the project was not just “bricks and mortar.” PeaceHealth touched the lives of many people, and its facility in Springfield would be a legacy for the future.

Mayor Leiken called on members of the public for testimony.

Hillary Wylie, representing the Lane Transit District (LTD) Board of Directors, shared the district’s plans for providing transit service in the vicinity of the RiverBend site. She said that

LTD had been working with Springfield and PeaceHealth since PeaceHealth decided to move to RiverBend, and believed it had transportation solutions for the hospital campus. She noted LTD's long partnership with PeaceHealth in providing employee bus passes and anticipated that would continue at the new location.

Ms. Wylie discussed the agreement reached by LTD, Springfield, and PeaceHealth to locate the Bus Rapid Transit (BRT) line in the median of RiverBend. She said that LTD supported the change and believed it would function well. The Planning Commission's recommendation regarding the placement of the line was made prior to the agreement regarding the location of the line, and thus the condition it forwarded to the council was rather vague in terms of location. She asked that the specifics of the design be included as a condition of approval. Ms. Wylie supported a condition of approval calling for the establishment of a south BRT station to serve the PeaceHealth development and residents to the west. She said LTD was exploring options for the location of the station.

Lauri Segal, 1000 Friends of Oregon, 120 West Broadway, Eugene, said the amendments before the council were not consistent with relevant goals and statutes, the Springfield Development Code, and other planning documents because of the Land Use Board of Appeals (LUBA) decision on the appeal related to State goals 12 and 9. She said that until the City responded to the board's decision, it was difficult for her to comment on the record. Ms. Segal she said residents were concerned about traffic and area livability, and the LUBA decision addressed both those concerns. Ms. Segal said it was difficult for her to believe the public's concerns were listened to as they had been raised before in testimony. Now it appeared that LUBA agreed with those opposing the project that their concerns were real.

Ms. Segal expressed appreciation for the additional time the record was to be kept open. She suggested that, until there was a written legal response to LUBA regarding goals 9 and 12, the record was incomplete. She asked that she and the public be noticed of any changes to the record.

Rob Zako, 1000 Friends of Oregon, 120 West Broadway, Eugene, identified himself as a transportation advocate and noted his long-time concerns about transportation facilities in the project area. He said he had been told throughout the process that there was a sequence to be followed, and certain steps came first. He maintained that the first step in the process, the plan amendments process, were not complete because of the LUBA appeal. Mr. Zako briefly reviewed the points of the appeal, noting that impact was the crux of the issue. LUBA had concluded that impact of the development during the planning period must be addressed as well. Mr. Zako said that Springfield had yet to do the analysis required by the State, and recommended that the application be put "on hold" pending the outcome of the LUBA process.

John Hyland, 89006 Whitewater Road, Springfield, endorsed the master plan application and asked the council to help PeaceHealth relocate to Springfield as soon as possible. He said that PeaceHealth should receive the 33 acres of MUC zoning it requested. If others wished to secure such zoning, they should do as PeaceHealth had done and put up money for transportation improvements. He said that he had built the parking structures at the Eugene PeaceHealth campus when PeaceHealth had determined there was a need for them. He supported PeaceHealth's position on the issue. Mr. Hyland urged the council to work with PeaceHealth to overcome development hurdles.

Pam Basilius, 203 Deadmond Ferry Road, spoke about her concerns regarding the City's plans to extend a road through her property. She said she had placed all her money into her home and

now could not sell it and was concerned that she would be unable to purchase another. She maintained that it would be unfair for the City to pay her fair market value for her home because she believed that the land would eventually be redesignated to commercial use, thus increasing its value. Ms. Basilius said she had been waiting for three months for an appraisal of her home promised to her by the City, which she maintained the City had in hand, and had been treated by disrespect by the City's legal staff. Ms. Basilius maintained that the City's goal was to take her house as cheaply as possible regardless of the consequences to her family. She suggested that instead, the proposed road run across PeaceHealth's property.

John Brown, a Eugene real estate appraiser, spoke to the condition calling for a parking structure prior to occupancy of the hospital. He said that regardless of when PeaceHealth built the parking structure, it would not be financially feasible. He noted that the parking structures that PeaceHealth currently owned operated at a large deficit. He said that PeaceHealth needed to be competitive in the market place, and none of its competitors will have to build a parking structure. Mr. Brown did not recommend that the parking structure not be built, but suggested that the requirement be contingent upon some threshold, such as a minimum square footage for the medical office building.

Speaking to Condition 11.5 regarding the assignment of the MUC zoning, Mr. Brown believed that there would be demand for more than 33 acres of MUC. He suggested that more land in the vicinity be rezoned to MUC, pointing out that did not mean it would be developed. He suggested that MUC acreage on PeaceHealth property not be restricted given its relationship to the financial viability of the development. Mr. Brown pointed out the impact of the nodal development overlay was not known. He asked what Springfield would do if it had ten property owners vying for the zoning in question, rather than one willing can capable of going forward. He suggested that the council give consideration to "who's at the table, and what they're willing to do."

Darlene Colburn, 3361 Baldy View Lane, Springfield, a resident of the Game Farm Neighborhood, spoke in favor of the master plan application. She said that in addition to building a state-of-the-art medical facility, PeaceHealth would be contributing funding to much-needed transportation improvements. PeaceHealth would also provide public access to the river. She asked the council to approve the project, which she termed a "win-win" situation for the community and PeaceHealth.

Steve Korth, Eugene, voiced his support for the master plan application. He said that PeaceHealth would provide quality medical care for the community. Noting he was a member of the development community, Mr. Korth suggested there were three key elements necessary for such a project: flexibility, zoning, and timing. He said there was no comparison between the MS and MUC zoning and agreed with Mr. Brown that the impacts of the nodal overlay were unknown. He said that the flexibility needed to react to commercial demands and opportunities would be more easily addressed by the application of the MUC zoning.

Regarding trip vesting, Mr. Korth emphasized the importance of a level of certainty that the rules would not change as the project moved forward.

Mr. Korth said that timing was critical, particularly when dealing with construction costs. Any delay could "kill" a project because rising costs could make a project financially infeasible. He commended staff for its work with PeaceHealth.

Bill Morrisette, 248 G Street, Springfield, said the hospital should not be located in the Gateway Refinement Plan area. It was “much too large.” The transportation system would not be sufficient to serve the development at full build-out. He said if the hospital was to be built, a nodal development overlay was essential. Mr. Morrisette said the hospital preferred to control all the commercial property in the area, and he did not think that was in the best interest of the City or the community.

Mr. Morrisette said that the Goal 12 issues remanded by the State must be addressed. He thought that legislation to change the process was needed so that a site plan was required before the needed plan amendments were granted.

Mr. Morrisette asserted that the hospital’s doctors and management staff would not live in the nearby medium-density housing and regretted the lack of more expensive, less dense housing that might attract those individuals. He urged the council to go slow and asked that it not be “caught up in the excitement of the moment.” He said that once approved, the approval could not be undone, and there were consequences to not doing the project right.

Tim Beckett, 261 Deadmond Ferry Road, recognized the benefit of PeaceHealth to the community and welcomed the new residents that move into the area. However, he asked the council to be careful about how those new residents affected the existing residents who happened to be in the path of development. Mr. Beckett said he had recently learned a road project affecting his property was planned, which was a surprise. He said that City’s plans to buy his property at residential rates precluded his ability to realize the fiscal benefits he might otherwise realize if the land was zoned commercially, as he expected it would be eventually. Mr. Beckett feared he would lose the benefit of his property to developers who were not residents but who bought all property around his house. He said that residents were looking to the City Council to look out for their best interests.

Shawn Hyland was not available when called to speak.

John English, 1620 High Street, Springfield, said it should be illegal to build a hospital on an active earthquake fault, which he averred was the case in this situation. He asked what had been done to address the situation. He anticipated that regular earthquakes of 8 or 9.5 would occur in the future, and when that occurred, the community would need a hospital. Mr. English said it bordered on criminal to build a hospital on a fault line. If a dam failed, there would be debris and walls of water coming down the river. He asked if that had been considered in the hospital’s planning. Mr. English said he asked several University of Oregon professors to testify about the topic and in return received a cynical response suggesting that the decision about the project was already made.

Justin Wright, 722 Country Club Road, Arlie & Company, opposed the allocation of 33 acres of MUC zoning to PeaceHealth. He said that some of the MUC zoning should be reserved for Arlie & Company and others. He maintained that the annexation agreement between Arlie & Company and Springfield included an agreement that the Arlie property would be developed with intensive commercial uses, such as a mixed-use nodal village. He called that agreement the “quid pro quo” for the \$750,000 in annexation fees Arlie would be obligated to pay the City. Mr. Wright asked the council to support the Planning Commission’s recommendation for the allocation of the MUC zoning, and asked that 12.4 acres of Arlie property be assigned MUC zoning. .

Mr. Wright asserted that it was unfair that PeaceHealth should consume all the traffic capacity in the vicinity, forcing capacity improvements on other developments in the area. He said that all developments should pay their fair share. He asked that the council's decision provide for more transportation planning encompassing the Arlie property, PeaceHealth property, and other nearby properties.

Mr. Wright reported that Arlie & Company and PeaceHealth had discussed a land exchange to facilitate needed transportation improvements at the RiverBend campus. The company was prepared to enter into an agreement with PeaceHealth to that affect. He asked the council to review the materials submitted by Arlie & Company to the Planning Commission.

Anne Heinsoo, 35 Lorie Court, expressed dismay at the traffic and noise that would affect her secluded residential neighborhood if a hospital was built at the Gateway MDR site. She pointed out that residents had worked for years to get a stoplight at the exit of Wayside Lane onto Hayden Bridge Way, and now staff was proposing to close the exit, replace it with a complicated loop street, and force residents to exit onto a different street. Ms. Heinsoo noted that the hospital was proposed to be built on elevated land and questioned if, during a flood event, water that would have formerly entered the PeaceHealth property would now flood the property of nearby residents. Ms. Heinsoo concluded by expressing her dismay that the Springfield Planning Commission and Planning staff were willing to work with PeaceHealth as she did not believe it belonged to the community and objected to what she termed its unethical competition with McKenzie Willamette Hospital.

Dr. Jim Walker, 4450 Pine Crest Drive, Eugene, a member of the PeaceHealth Board of Directors, said he had been involved in planning for the regional medical center for five years. He asked the council to approve the master plan application.

Speaking to the issue of the MUC zoning, Dr. Walker discussed facility design as it related to medical technology. He said that PeaceHealth planned a regional medical center that would incorporate other medical institutes and other nonhospital facilities. PeaceHealth had studied health technology forecast reports and studied trends facing tertiary care centers. Dr. Walker said PeaceHealth had developed 5 to 50-year projections to be accommodated in the center. Many of the technologies would be applied to an increasingly large population of outpatients. The board realized those emerging technologies and medical specialty care would require broad flexibility in the design and use of the property. Dr. Walker said one of PeaceHealth's goals was attract physician groups, and the biggest attraction would be what PeaceHealth offered in the way of office space and related services. He said that commercial zoning was as important as the nearby residential property, which would serve both employees and patients who needed to live near the hospital.

Susan Ban, 2125 Nirvana Street, Eugene, the Director of ShelterCare, asked the council to approve the master plan application. She said that local access to state of the art health care and to health care options was critical. It helped local service providers such as her organization to do their work. She advocated for flexibility in terms of time and regulatory requirements, continued cooperation between the Planning staff and PeaceHealth staff, and recognition of the significance of the project to the entire region.

Mayor Leiken called for a ten-minute break. Following the break, Mayor Leiken resumed testimony.

Dan Egan, 850 North 6th Street, Springfield, executive director of the Springfield Chamber of Commerce, said the chamber frequently advocated for business to locate in Springfield, which had the reputation of getting to yes. That was not always easy, but it was his experience that City staff worked with businesses to overcome problems. He said that much progress had been made on the project, and he urged the council to remember Springfield's reputation for getting to yes.

Mr. Egan believed Springfield had models that worked in the past that it could employ in this instance, such as trigger points. He supported a trigger point for the construction of the proposed parking structure. Regarding the transportation improvements costs being borne by PeaceHealth and the vesting of trips, he urged that the issue be worked through now as he believed it would come up again in the future. Mr. Egan pointed out that another hospital could potentially be sited in Springfield, and he believed it would need similar consideration. Regarding the allocation of zoning, he suggested allowing everyone who owned property in the area to seek commercial zoning might be an answer to the allocation of the MUC zoning. Regarding the application of the nodal development overlay, Mr. Egan suggested that the hospital proposal was as close as Springfield would get to nodal development in the near-term, and he wanted it to work.

Jeff Sackett, Capstone Partners, 1013 NW 11th Avenue, Portland, representing PeaceHealth, spoke to the applicant's request for MUC zoning. He said that developers value flexibility and certainty. Mr. Sackett said that the application of MS zoning rather than MUC zoning reduced PeaceHealth's flexibility to use its property. He noted that there were 131 permitted uses in the MUC zone and 13 permitted uses in the MS zone. He said that the timing of the nodal development overlay application was uncertain, and that uncertainty was not good for PeaceHealth. Mr. Sackett believed the application of MS zoning also reduced the value of the property in question. Regarding the trip cap, Mr. Sackett spoke of his experience with Cascade Station in Portland, which had some resemblance to this application. He said the core of the issue was that traffic controls density. He said that his firm had projected out all the traffic to be generated by all uses over the next 20 years and backed into the available density that was left for the development and used that to define the use mix and limit the density.

John Olm, 226 Ridgeway Drive, Eugene, a real estate professional, supported the master plan application. He called for resolution of the issues that now threatened to derail the project. He saw no reason that staff could not argue that more than 33 acres of commercial zoning was needed to support the scope of the project. He believed he could argue with conviction that more than 45 acres of commercial zoning were needed to accommodate the project and the changes that he anticipated would occur in the hospital industry.

Speaking to the issue of nodal development, Mr. Olm said that concept had been around for many years, but he believed that nodal meant "no development." He said there were some good aspects to the concept, but the "devil was in the details." Mr. Olm questioned whether PeaceHealth had time to wait for those details to be resolved. So far, there had been no nodal development in the community.

Speaking to the issue of the parking structure, he acknowledged the concern expressed about the "sea of asphalt" created by surface parking, but contrasted the proposed parking to the parking provided at the Gateway Mall and suggested that truly was a sea of parking. He did not think one would even see asphalt at the hospital. Addressing the issue of the vested trips, Mr. Olm suggested that given the amount of money that PeaceHealth planned to invest in street improvements, there must be some equity. He pointed out that PeaceHealth had spent

considerable money developing its traffic analysis, and it would be unfair for someone else to come along and generate traffic that exceeded those trips.

Nathan Phillips, 30169 LaBlue Road, said he represented WNG Properties of Eugene, which developed and managed medical and commercial office buildings. He offered his perspective on how the project could be planned to meet the objectives of his investors and clients. He said master plan as presented would create an exciting new urban neighborhood with attractive development opportunities for the type of building his firm constructed. However, Mr. Phillips was concerned about the application of MS zoning with the nodal development overlay to the site. He said it was his experience that related businesses have a strong interest in locating near medical services, often in the same building. Mr. Phillips asked if those uses would be permitted in the MS zone. He suggested such uncertainty reduced the value of the property and was contrary to the goal of reduced vehicle miles traveled. He said it was difficult to attract investors where there was uncertainty about use.

Mr. Phillips also questioned the application of the nodal overlay to regional health care facilities, particularly when the details of the overlay were still being worked out. He said that his clients serve the ill and elderly and he did not think it was realistic to expect those patients to use transit or to walk to get to the hospital. It would be difficult to attract tenants and investors where access was severely or inappropriately impeded. Mr. Phillips said his firm supported the goals of nodal development, but believed the overlay was not appropriate for a regional medical office facility or medical offices in general. He thought the MUC designation would promote the clustering of uses and reduce auto dependency more effectively than the MS zone with the overlay. His company looked for sites that were clearly zoned as they offer most flexibility and least uncertainty for clients.

Tom Boyatt, representing the Oregon Department of Transportation (ODOT), 644 A Street, informed the council that ODOT supported Condition 31, which described the trip monitoring plan. He said that which ever zoning the council chose, the City should avoid double-counting trips. Mr. Boyatt said future developments must go through the plan amendments process and State Goal 12 analysis, and proper mitigation would follow. Speaking to the condition for a post-acknowledgement plan amendment, Mr. Boyatt said that the required transportation improvements at Highway 126 and the Pioneer Parkway must be constructed by the time the hospital opened. He noted that partial design drawings had been submitted to ODOT by PeaceHealth, and things looked good at this point.

Al Johnson, 2903 Grant Street, Portland, identified himself as legal counsel representing John and Robin Jacqua. He noted the submission of aerial photographs of the Jacqua property, which demonstrated the location of the Jacqua property in relationship to the hospital.

Mr. Johnson discussed the Jacquas' concerns about the impacts of the PeaceHealth development. He said that the Jacquas share the vision expressed by representatives of PeaceHealth and were long-time supporters of the hospital. However, the Jacquas believe that such facilities should be located in the places set aside for such uses, that is, in their current locations or possibly Glenwood, not in a residential area in north Springfield. He said PeaceHealth chose to locate on a site that was not planned or zoned for that use, resulting in the delays in construction. He said that additional problems were created by PeaceHealth's attempt to jumpstart the permitting process to overcome those delays.

Mr. Johnson suggested the council had no choice but to await the results of the LUBA appeal or deny the application. He asserted that when LUBA remanded a decision, the remanded ordinances cease to be effective. The plan amendments were not yet acknowledged because the appeals process not completed. Mr. Johnson maintained that the council had to consider the application using the unamended plans and the old McKenzie CDP. He distributed copies of written testimony from himself and the Jacquas. He anticipated appeals of the LUBA decision and a decision within two to three months.

Darren Hayes, 650 Harlow Road, Springfield, indicated support for planned and managed growth and mitigation of the impacts of growth. He asked that the council ensure that the project place no undue burden be placed on existing residents or the existing infrastructure. Mr. Hayes had mixed feelings about the development. He thought the staff and commission could have invested extra time to analyze neighborhood concerns about traffic. Mr. Hayes thought temporary mitigation of the anticipated impacts was very important to him, but he did not think any plans had been presented on how egress and access would be managed. He thought there would be a major impact to Game Farm Road, which currently lacked shoulders, and did not think the issue had been addressed. Local arterials already carried considerable traffic, and he thought additional growth would worsen traffic situations, even without PeaceHealth. Adding PeaceHealth to the traffic load required more thorough discussion. The current road system was both under-funded and under-managed. Mr. Hayes anticipated major traffic issues on small streets coming into the area.

Jim Conant, 209 Deadmond Ferry Road, Springfield, said his residence would be affected by the proposed roadway system. That was very stressful to him as he had lived in the area for 35 years. He urged the council to consider all the ramifications of the issue and suggested that the road could be shifted to spare the three houses that would otherwise be impacted.

Kevin Matthews, 120 West Broadway, Eugene, representing the Friends of Eugene, questioned how the council could go forward given the LUBA remand of the plan amendments. He said that his organization, as a “citizen watchdog” group, would file an appeal of the council’s decision if the rules were not followed. Mr. Matthews averred that the application was driven by real estate and money, and maintained that “ordinary” citizens were being “bulldozed” by PeaceHealth. He said PeaceHealth first acquire land that was less expensive because it was not zoned for a hospital, and then “successfully applied political pressure” to get the zoning changed so the values of the property went up, and “a lot of money gets made” from the ancillary development, which he objected to. Mr. Matthews said that if plans were to be changed, they should be changed by the appropriate process.

Jo Conant, 209 Deadmond Ferry Road, Springfield, provided the council with a map of the area in question. She was also concerned about the impact of the hospital development on her house. She described the development and construction of her house and spoke of the importance of her house to her family at a time of grief and loss. Ms. Conant said her home and property could not be replaced at fair market value, and because her property was located in the county so she was not represented on the council. She said she could not financially afford to fight the City. Ms. Conant believed ~~PeaceHealth~~ the three developers owned sufficient undeveloped property to accommodate the road without affecting existing residents. She asked that the road be redesigned and routed to the east. She called the plan unnecessary and brutal and said it would threaten the retirement security her family worked hard to achieve.

Bill Carpenter, 680 T Street, a member of the Springfield Planning Commission, advocated for a height limit on the hospital, which he maintained could be achieved by increasing the square footage for each floor. He thought it would help achieve a lower height and increase safety. Regarding the parking structure, he said that the commission was concerned about the potential of a “sea of parking” on the site. He said that PeaceHealth discussed creating an atmosphere of healing he believed patients would be viewing that sea of parking. Speaking to the commission’s recommendation for zoning, he said the plan amendments stipulated only 33 acres of MUC zoning were available, and the commission did not want to give up all 33 acres in one application, requiring further master plan amendments.

Jim Hanks, 4765 Village Plaza Loop, Eugene, JRH Traffic Engineering, said that the project met all TransPlan requirements. He said that some appeared to think that PeaceHealth took all available trips and matched the development to the capacity, but the opposite was true. PeaceHealth determined the size of the development, how many trips it would generate, and determined that even in the out years, there was available capacity for more development. It was important for PeaceHealth to have the trips vested, as it met that those trips must be taken into account by the City when other development applications were submitted.

Regarding the north street connection that would potentially affect existing residences, Mr. Hanks said that PeaceHealth did not have a position on the road. The connection was not necessary for the purposes of the hospital, but the annexation agreement required PeaceHealth to pay for it. He noted that the connection was called for in City plans before PeaceHealth had contemplated a hospital in this area.

Jan Wilson, PO Box 70753, Eugene, represented the Coalition for Health Options in Central Eugene-Springfield (CHOICES). She submitted the testimony she had prepared for the Planning Commission, which she believed was still applicable. She reiterated her continuing objections to the proposal. She maintained there was an inadequate opportunity for adequate public review because the plan amendments process was not final. She said that Oregon law required citizens to base their objections on the record, but that could not be done if the process was not completed.

Ms. Wilson said the City was no further along in its nodal development planning and did not think the project constituted nodal development. CHOICES had concerns about the tree removal on the site, the surface parking proposed, the fill that would occur, and believed the proposed residential development would not occur. She noted that the conditions related to those issues were those that PeaceHealth most objected to. She objected to the size of the development, maintaining that “everything was too big.”

Ms. Wilson asserted that PeaceHealth had promised to provide the commission with alternative massing scenarios and that the Planning Commission did not recommend a height limit because commissioners said “what’s the use? The City Council’s going to rubber-stamp it, so why even bother?” She said her organization wanted to massing scenarios and alternatives but never got them. Ms. Wilson objected to the animated flyby, saying the lobby looked like a “Rocky Mountain ski lodge” and showed no patients. She objected to the size of the facility and the amount of parking being proposed. Ms. Wilson asked the council to deny the application, to direct staff to complete the implementation of nodal development, and direct legal counsel to finish the plan amendments process before the master plan application was considered.

Mr. Stephens reviewed the schedule for acceptance of written testimony.

Ms. Fitch, seconded by Mr. Ralston, moved to adopt the revised schedule. The motion passed unanimously, 5:0.

Ms. Pappas entered two items into the public record, correspondence from Tom Bowerman, 337 McKenzie View, Eugene, OR and correspondence from Bonnie Ullman of the Game Farm Neighbors, Oriole Road, Springfield, OR.

Mr. Malloy returned to the dais.

BUSINESS FROM THE AUDIENCE

There was none.

COUNCIL RESPONSE

There was none.

CORRESPONDENCE AND PETITIONS

Ms. Fitch, seconded by Ms. Ballew, moved to accept the items for filing and/or provide staff direction/follow-up. The motion passed unanimously, 6:0.

BIDS

ORDINANCES

BUSINESS FROM THE CITY COUNCIL

1. Committee Appointments

There were no appointments.

2. Business From the Council

a. Committee Appointments

There were none.

b. Other Business

Ms. Lundberg announced that Willamalane Parks and Recreation District would hold an open house at 5 p.m. on January 28, 2004, at the Memorial Building for residents to offer comments on the district's comprehensive plan.

BUSINESS FROM THE CITY MANAGER

City Manager Kelly had no business.

BUSINESS FROM THE CITY ATTORNEY

There was none.

ADJOURNMENT

Mayor Leiken adjourned the Regular Meeting at 9:30 p.m.

Minutes Recorder – Kim Young

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder